



22 October 2012

Dear SBL Member,

Members of the Society of Biblical Literature may have been alerted to a petition being circulated by members of the American Academy of Religion. The petitioners advocate that a members' resolution be approved at AAR's Annual Business Meeting on November 18<sup>th</sup>, which would then go to the AAR Board of Directors as a policy recommendation. The online petition (<http://www.aarpetition.org/>) proposes that AAR should adopt the following policy:

The American Academy of Religion will add protective language to all future contracts with hotels and conference centers for annual meetings declaring that if there is a boycott, strike, lockout, picketing or other labor dispute at the contracted facility, the AAR will be released from all contractual obligations without charge or penalty. Furthermore, the AAR will not patronize a hotel or conference center that is in the midst of a boycott, strike, lockout, picketing or other labor dispute.

This petition may have significant implications for SBL and its members. The SBL Council recognizes the importance of the underlying labor issues, the promotion of workers justice, and the real human beings and their concerns behind this petition. As you know from previous correspondence and [postings](#), the SBL Council and staff have taken responsible steps within its means to respond to the human dimension of labor associated with the Annual Meeting. The SBL staff takes great care to be attentive to labor issues when it plans a meeting. Moreover, it has been our consistent position since we became aware of the Unite Here boycott in March to do everything in our power to inform our members and to allow the individual members of the SBL to act according to their consciences, while recognizing that there exists a diversity of views among our members about this issue. We have also made every effort to keep you informed.

It is important for you as members of the SBL to realize that any decision by the AAR as an organization to act in accordance with the petition above would also directly impact the SBL, even if this action is taken unilaterally, because the SBL signed jointly with the AAR the contracts with the hotels in question and could be subject to penalties for cancelling them.

In the context of this petition, SBL members should be aware of these implications and be given additional background that supplements four recent communications. The

immediate context of these four documents involved our response to a boycott of two Hyatt Chicago hotels by the hotel workers' union, Unite Here.

- [Message Regarding Hyatt McCormick and Hyatt Regency at 2012 Annual Meetings](#) (3/30/2012)
- [SBL 2012 Labor and Management Dispute FAQ](#) (6/13/2012)
- [Hyatt Update e-mail to members](#) (6/20/2012)
- [Joint Letter to members from AAR and SBL](#) (7/10/2012)

The last document, the joint letter to members from AAR and SBL, reflects an agreement on June 22<sup>nd</sup>, when representatives of the SBL Council and the AAR Board met to discuss the boycott and agreed to a joint response that reflected the language in SBL's March document.

The March document reflected, in turn, a proposed set of steps that had four components:

- Alert members of a labor dispute before hotel registration opens (or as early as possible if after registration opens), so that members can make a fully informed choice.
- Honor contracts to which it is legally bound.
- Renegotiate whenever possible reduced usage of a hotel.
- Move as many programmatic events from a hotel as is reasonable and possible.

Incidentally, these steps were taken by [SBL](#) and AAR when a similar issue arose at the Annual Meetings in San Francisco in 2011 (though that labor dispute was resolved before November).

The principles that inform the position that SBL has adopted as precedents are twofold:

- SBL Council, as trustees of the members' assets and interests, are legally and ethically bound to act for the benefit of its members.
- SBL is legally bound to act only in accordance with its stated mission, "to foster biblical scholarship." Acts of political and social advocacy outside of this charter exposes the organization to legal consequences under federal and state regulations.

We are in our second year of the recombined Annual Meetings. This is, to be sure, something to celebrate for the circle of our discipline: graduate students, faculty, institutions, and publishers. When these Annual Meetings were not hosted together, the negative impact on that entire circle was severe, and a vast majority of members and partners in both organizations vocally expressed their disapproval. SBL's commitment to this relationship has been and remains solid and unwavering, because of its clear benefits to our members, for whom the combined meeting provides more accessible and economical opportunities for collaboration and professional development. The SBL and AAR concurrent meeting is a model for responding to changes in higher education and the needs of members.

It is especially in this context that a critical aspect of the recombined Annual Meetings should be emphasized, which was not adequately highlighted in our previous communications, and which has import on the petition being circulated. In June of 2010 AAR and SBL signed a [Letter of Intent](#) that established a formal, ongoing legal relationship that bound them together in performing jointly the Concurrent Conventions. That agreement precipitated two important outcomes. First, SBL and AAR successfully collaborated in jointly restructuring already signed contracts with cities and hotels in order to combine the meetings (San Francisco in 2011, Chicago in 2012, and Baltimore in 2013). Second, the two organizations jointly signed a series of new and mutually binding contracts through 2021. The resulting benefit to the organizations and their members was extraordinary. Significant cost savings are directly passed on to members by reductions in general conference expenses and individual hotel room rates (we were able to lock in 2011 prices through 2021 when negotiating during the 2011 recession). The combined negotiating strength will realize a \$7.3 million savings to SBL and AAR from 2010 to 2021.

The Letter of Intent refers to the legal relationship between SBL and AAR as a “joint venture.” The hotel contracts, all of which are substantially similar in form and content, are three-party contracts between the hotel, SBL, and AAR. In each contract, SBL and AAR are identified as a “joint venture.” Under Georgia law, a joint venture is defined as a relationship in which two or more parties combine their property or labor, or both, in a joint undertaking. The penalties for breaking these cosigned contracts may be severe. The obligations of SBL and AAR are also indivisible, that is, should one party fail to uphold the expectations of the agreement, damages are equally assigned to both. All of the hotel contracts impose liability for cancellation or for failure to fill a minimum number of rooms. The penalty for cancellation of a single contract twelve months from the meeting generally starts at \$100,000 and increases as the meeting date approaches, rising to as high as \$600,000, and these penalties would have significant and far-reaching consequences on SBL and its members. Penalties are included in every contract, with every hotel, extending through 2021.

The petition being circulated does not reflect the responsibilities and realities of the joint contracts. The proposed policy does not acknowledge that any modification to an existing hotel contract will require the consent of all three parties, or that any action AAR takes will legally and financially involve SBL. Furthermore, the petition, were it to be adopted and exercised unilaterally by the AAR Board, would jeopardize the assets of SBL and adversely affect the services SBL has been established to provide its members. Regardless of its actual execution, the adoption of the proposed resolution would cause annual uncertainty and unpredictability regarding all aspects of the Annual Meeting.

As we have mentioned in previous communications, the size of the concurrent SBL and AAR Annual Meetings creates significant economies of scale, but requires our organizations to contract a minimum of five years in advance and to utilize an increasingly limited number of cities with the capacity to host the meeting. The staff of both organizations works diligently together in this process, and they perform their work

with great attention to labor situations in each city. In contracting so far out, it will be quite possible, if not likely, that one hotel might experience a labor-management disagreement or an expired labor contract. We are conscious of many difficult concerns and consequences in managing our response: what would we do if a strike in a convention center or hotel occurred a year, a month, or even a week before the conference; how does this affect our members (airline tickets, room rates, employment center); how do we adequately plan many years in advance and how would AAR and SBL staff essentially start over without adequate preparation time; and what will be the extended impact on our members from higher conference fees and room rates if SBL and AAR are perceived as uncertain clients.

Finally, we would emphasize that every contract that SBL and AAR have jointly signed with hotels includes a *force majeure* paragraph that already addresses the rights and obligations of the parties in the case of a strike (as well as natural disaster and political violence). However, the paragraph does not wholly mitigate risk and conflicts with the course of action contemplated by the proposed resolution for several reasons. First, the cancellation right in the *force majeure* clause hinges on proof that the hotel's performance would become "commercially impracticable, illegal, or impossible." Second, even if the circumstances were such that SBL and AAR had the right to cancel without penalty, there would be a series of short- and long-term consequences on members and their organization, including meeting cost and stability as well as the organization's ongoing negotiating strength. Third, it would stretch credulity to imagine hotels would agree to amend their contracts to make them less protective of their own interests.

We hope these details help SBL members evaluate the complex issues involved in managing the Annual Meeting and the numerous factors that allow the organization to focus on and serve you. Please know that you can approach any member of Council with any concerns or suggestions about this, or any issue.

Sincerely,

John F. Kutsko (executive director) and the SBL Council